



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

April 5, 2005

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH
SELECTED DEVELOPERS FOR THE PURCHASE,
REHABILITATION AND OPERATION OF UJIMA VILLAGE (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a one calendar year Agreement to Negotiate Exclusively (Agreement), presented in substantially final form, between the Housing Authority and the Los Angeles Community Design Center, a California non-profit public benefit corporation, and The Related Companies of California, a California limited liability company (Developers), for negotiation of a Management Agreement and a Disposition and Development Agreement (DDA) for Ujima Village, a multifamily housing development located at 941 East 126th Street, in unincorporated Willowbrook.
2. Authorize the Executive Director to execute the Agreement, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director, at his discretion, to modify the terms of the Agreement to increase the negotiating period by up to a maximum of 360 calendar days, to be effective following approval as to form by County Counsel and execution by all parties.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the Housing Authority to negotiate exclusively with the Developers the terms of a Management Agreement and a DDA, for the purchase, rehabilitation and operation of Ujima Village, a multifamily housing development in unincorporated Willowbrook.

FISCAL IMPACT/FINANCING:

There is no fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 9, 2003, your Board approved the issuance of a Request for Qualifications (RFQ) to identify a developer to purchase, rehabilitate and operate Ujima Village. On February 20, 2004, the Housing Authority issued the RFQ. On March 29, 2004, ten proposals were received, all of which were subject to a threshold review, consisting of furnishing evidence of requisite property management and development experience, and submission of all required documentation. Eight proposals passed this initial review and were submitted for technical scoring, which involved evaluation of the experience of the developer, contractor, architect and property management company of each Proposer, in accordance with the terms of the RFQ. As part of the process, the Proposers were given the opportunity to appeal the scores they received.

On September 7, 2004, based on the evaluation of the statements of qualifications and adjudication of appeals, an Independent Review Panel, comprised of representatives from the Housing Authority, the Ujima Village Resident Council and the Housing Commission, selected the top three scoring proposals to proceed to the next phase of consideration. Each Proposer was further assessed based on a background and reference check, site visits to two of its previous projects, and an interview.

A second meeting of the Independent Review Panel was held on December 9, 2004, to evaluate the information gathered in the background and reference checks and site visits, and to interview Proposers. Each Proposer was again scored, with the Developers receiving the highest score. Proposers were again granted an opportunity to appeal the scores from the second phase of the evaluation process. One appeal was submitted. After the staff addressed the appeal, the Proposer withdrew, with no further action.

The Agreement will enable the Developers and the Housing Authority to negotiate a Management Agreement and DDA for the management, rehabilitation and ownership of Ujima Village, a 300-unit multifamily housing development. Discussions will include identification of parameters for management services, and purchase price and other consideration to be paid to the Housing Authority by the Developers. The Agreement does not commit the Housing Authority to a particular course of action.

The Housing Authority may, during the negotiating period, hold public meetings to gather additional input from the community. The Developers will also be a part of any public meetings that are held. The Management Agreement will be submitted to your Board for approval prior to July 1, 2005. The DDA will be submitted to your Board for approval upon conclusion of negotiations, but not later than two years from the date of the Agreement.

The Agreement will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

The Agreement does not commit the Housing Authority to a particular course of action, and is not subject to the requirements of the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). All CEQA and NEPA environmental review requirements must be completed prior to signing a DDA committing the Housing Authority to this project.

IMPACT ON CURRENT PROJECT:

The Agreement will allow the Housing Authority to negotiate terms of a Management Agreement and a DDA with the Developers, which will ultimately improve affordable rental housing stock in the County.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

UJIMA VILLAGE
AGREEMENT TO NEGOTIATE EXCLUSIVELY{PRIVATE }
by and between
HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES
and
LOS ANGELES COMMUNITY DESIGN CENTER
and
THE RELATED COMPANIES OF CALIFORNIA

**UJIMA VILLAGE
AGREEMENT TO NEGOTIATE EXCLUSIVELY**

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this _____ day of _____, 2005, by and between the HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic ("HACOLA"), and LOS ANGELES COMMUNITY DESIGN CENTER, a California nonprofit public benefit corporation and THE RELATED COMPANIES OF CALIFORNIA, LLC, a California limited liability company (collectively the "Developers"), on the terms and conditions set forth below. HACOLA and Developers are sometimes referred to collectively herein as the "Parties" and each individually as a "Party".

RECITALS

- A. WHEREAS, HACOLA issued a Request for Qualifications ("RFQ") on February 20, 2004, for the substantial rehabilitation of certain real property known as Ujima Village located at 941 E. 126th Street (the "Site") in the unincorporated Willowbrook area of the County of Los Angeles;
- B. WHEREAS, the Developers were selected, through a lengthy evaluation and interview process, to be offered an Exclusive Right to Negotiate in accordance with the RFQ's requirements; and
- C. WHEREAS, HACOLA is desirous of negotiating exclusively with the Developers.

NOW, THEREFORE, the Parties agree as follows:

[100] Duration of this Agreement

The duration of this Agreement shall be for one calendar year from the date first written above plus any extensions mutually agreed to by the Executive Director of HACOLA and the Developers ("Negotiation Period"). The Board of Commissioners of the Housing Authority of the County of Los Angeles ("Board of Commissioners") have authorized the Executive Director of HACOLA to extend this Agreement for up to two extensions, each of which will be up to one hundred eighty (180) calendar days. If upon the expiration of the Negotiation Period, the Developers have not signed a Property Management Agreement and a Disposition and Development Agreement (DDA) satisfactory to HACOLA, then this Agreement shall automatically terminate.

[101] Deposit

Prior to the execution of this Agreement by HACOLA, the Developers shall submit to HACOLA a non-refundable good faith deposit (the "Deposit") in the amount of FIVE THOUSAND DOLLARS (\$5,000.00). The Deposit shall ensure that the Developers will proceed diligently and in good faith to negotiate and perform all of their obligations under this Agreement.

[200] Negotiations

[201] Good Faith Negotiations

HACOLA and the Developers agree during the Negotiation Period set forth above to negotiate diligently and in good faith to prepare the Property Management Agreement and DDA for execution by the Developers and for submission and approval by the Board of Commissioners, in the manner set forth herein with respect to the rehabilitation of the Site as referenced in Section 301 herein. HACOLA agrees, for the Negotiation Period, not to negotiate with any other person or entity regarding property management, rehabilitation or transfer of the Site. During the term of this Agreement, except as provided in the RFQ, HACOLA shall keep confidential all information, plans, projections, and reports provided to HACOLA by the Developers in connection with the review, evaluation and rehabilitation of the Site and shall not disclose any such material to any third party, except to the extent required by law, without the express written consent of the Developers.

In the event at any time during the Negotiation Period the Developers do not negotiate diligently and in good faith as determined by HACOLA in its reasonable discretion, HACOLA shall give written notice, with a description of the failure and an explanation of the actions needed to cure, thereof to the Developers who shall then have thirty (30) calendar days to negotiate in good faith to the reasonable satisfaction of HACOLA. Following the receipt of such notice and the failure of the Developers to thereafter negotiate in good faith within said thirty (30) calendar days, this Agreement may be terminated upon written notice by HACOLA. In the event of such termination by HACOLA, HACOLA shall retain the Deposit and any interest earned thereon.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original one year period), neither party shall have any further rights against or liability to the other under this Agreement.

If a Property Management Agreement and DDA are approved and executed by HACOLA and the Developers, these agreements shall thereafter govern the rights and obligations of the parties with respect to the property management, transfer of ownership and substantial rehabilitation and shall supersede this Agreement.

[300] Development Concept

[301] Scope of Property Management and Development

The first component of the negotiations between the Developers and HACOLA shall be for the property management of the Site. The Parties shall enter into a Property Management Agreement, which will identify the parameters of the property management services.

The second component of negotiations between the Developers and HACOLA shall be for the transfer of ownership and substantial rehabilitation that the Developers will propose for the Site.

[400] Purchase Price and/or Other Consideration

A purchase price for the property to be paid to HACOLA by the Developers, and/or other consideration, if any, to be paid to HACOLA by the Developers, will be identified and included in the DDA.

[500] The Developers

[501] Nature of the Developers

The Los Angeles Community Design Center is a California nonprofit public benefit corporation and The Related Companies of California, LLC, is a California limited liability company. It is understood that the Property Management Agreement and DDA can be entered into by affiliates of the Developers, upon review and approval by HACOLA.

[502] Office of the Developers

The principal offices of the Developers are:

Los Angeles Community Design Center
701 East Third Street, Suite 400
Los Angeles, CA 90013
ATTENTION: Robin Hughes, Executive Director

The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
ATTENTION: Bill Witte, President

Robin Hughes, or her designee, is the authorized representative for the Developers to administer and implement this Agreement.

[503] Full Disclosure

The Developers shall fully disclose to HACOLA any changes of its president, executive director, board members, members, major partners, joint venture partners, key managerial employees, other associates (collectively, "principals"), and all other changes in material information concerning the rehabilitation, including education, experience, and qualifications of Developers and their principals whose identities, development experience, and qualifications were submitted with the Statements of Qualifications and are of great importance to HACOLA and the basis for HACOLA to enter into this Agreement.

Any change of the president or executive director of the Developers must be approved by HACOLA in its reasonable discretion during the term of this Agreement.

[600] The Financial Capacity of the Developers

[601] Financial Ability

Prior to approval and execution of the DDA by the Developers and HACOLA, the Developers shall submit to HACOLA a proposed plan and budget for the substantial rehabilitation and it shall be to the satisfaction of HACOLA in its sole discretion.

[700] Pre-development Activities by the Developers

[701] Public Participation

During the Negotiation Period, HACOLA may hold public meetings to obtain community comment on the proposed substantial rehabilitation. As requested by HACOLA, the Developers shall attend such public meetings and be prepared to report on the status of the proposed substantial rehabilitation and respond to questions and comments by the community.

[702] Inspections

Developers will be granted the right to inspect the Site to perform their due diligence. A three-day notice will be provided to residents and HACOLA before each inspection.

[703] Findings, Determinations, Studies and Reports by the Developers

Upon reasonable notice, as requested by HACOLA in its sole discretion, the Developers shall provide written progress reports to HACOLA on any matters, including plans and studies, if any, related to the Site.

[704] Reimbursements

In the event the negotiations are not successful, HACOLA agrees to reimburse the Developers for out-of-pocket expenses, paid to a third party for project-related studies or reports, so long as Developers obtain approval from HACOLA prior to incurring cost and provide documentation of the out-of-pocket expenses to the satisfaction of HACOLA. In no event should HACOLA's reimbursement, under this section, exceed \$100,000. Any project-related documentation will become the property of HACOLA.

[800] HACOLA

[801] Office of HACOLA

The principal office of HACOLA is:

Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
ATTENTION: Taufiq K. "Syed" Rushdy, Director
Housing Development and Preservation Division

The Director of the Housing Development and Preservation Division is HACOLA's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director and/or Board of Commissioners.

[802] Approval Process

Approval to enter into a Property Management Agreement and a DDA will require an action by the Board of Commissioners. All other matters under this Agreement will require the approval of the Executive Director, or his designee.

[900] HACOLA Activities

[901] HACOLA Assistance and Cooperation

HACOLA shall assist and cooperate with the Developers in the property management and substantial rehabilitation of the Site as HACOLA determines in its reasonable discretion.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by HACOLA regarding the sale or transfer of all or any part of the Site. Execution of this Agreement by HACOLA is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of Commissioners as to any Property Management Agreement, DDA and all proceedings and decisions in connection therewith.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first written above.

**LOS ANGELES
COMMUNITY DESIGN CENTER**
a California nonprofit public
benefit corporation

BY: _____
Robin Hughes, Executive Director

**HOUSING AUTHORITY OF THE COUNTY
OF LOS ANGELES**

BY: _____
Carlos Jackson, Executive Director

**THE RELATED COMPANIES
OF CALIFORNIA, LLC**
a California limited liability company
by The Nicholas Company, Inc.,
a Delaware Corporation, its Managing Member

BY: _____
Bill Witte, President

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

BY: _____
Deputy